Needs Assessment GCF Working Group 3 Brazil and Indonesia Report

Methodology

Purpose:

- Collect data on the current state of REDD affairs in both Brazil and Indonesia,
- Analyze constraints to fully developing REDD projects
- Identify actions to address these constraints

2 phases approach:

- Before the September meeting: to assess the current status carried out by each state or province to develop a REDD project.
- After the September meeting: based on definitions of WG 1 and 2, identify processes to address necessities **to increase states' and provinces' capacities to reach GCF standards**.

Methodology

- Assessment template based on:
 - Description of Elements for REDD project in State or Province
 - Needs identified for REDD Elements
- Comparison with Criteria and Standards (WG 1)
- Identify needs to be possibly fulfilled by GCF Task Force

Elements for REDD Projects

Components / Elements of REDD project Component 1 : Environmental Service

- 1. Deforestation dynamics monitoring
- 2. Forest degradation dynamics monitoring
- 3. Forest Carbon Stocks quantification
- 4. Baseline and emissions reduction targets definition

Component 2 : Implementation mechanisms for REDD

- 1. Structural policies in place for reduction of deforestation and valuing of Forest assets
- 2. Territorial approach for REDD
- 3. Payments for environmental services mechanisms
- 4. Institutional framework and arrangement to bear REDD program and Government's capacity to implement REDD
- 5. Land tenure regularization in priority areas for REDD
- 6. Carbon rights and property issues
- 7. Relationship with National Government
- 8. Validation and Certification protocols for REDD

Component 3: REDD Financing

- 1. Current strategies to finance REDDiness
- 2. Strategies to finance REDD

Templates returned:

Brazil (3/5):

• Acre

Amapa

Amazonas

Indonesia (4/21):

• Aceh

• Jambi

South Sumatra

North Sulawesi

Status of 3 Brazilian Amazon States when compared to GCF Standards and Criteria

Ref	Criteria	Acre	Amapá	Amazonas
1.	Project Eligibility	Project concept elaborated with boundaries defined and justified (5.8 mi ha)	Project is supposed to be applied in State Forests (1,18 mi ha) and is being conceptualized	REDD approach in State Protected Areas. State REDD Project in conceptualization phase proposed to focus on high deforestation areas of the state.
2.	Project Management	Governance structure in process of development with previous assignment of responsibilities	Coordination defined and partnerships identified for carbon stocks assessments.	Governance structures created and in place.
3.	Project Eligibility	Eligibility rules not fully developed. Carbon ownership still to be legally developed. Project term defined.	Eligibility rules and project term not yet defined. Carbon ownership defined.	Eligibility rules and project term defined only for REDD i State Protected Areas. Carbon ownership still to be legally developed.
4.	GHG Sources, Sinks and Reservoirs	Consultant's comprehension problem for this standard as it seems to overlap with criteria 7 Measurement.		

NEEDS ANALYSIS FOR REDD PROJECTS DEVELOPMENT

Superficial analysis:

- 1. Criteria to be developed by each State accordingly to its own context and realities,
- 2. Criteria and standards to which development of methodologies would be helpful and **generally applied to all** REDD projects within GCF
- 3. Criteria and standards to which development of methodologies would **help each State to elaborate their own solutions** to come up with a REDD project in compliance with GCF criteria and standards.

NEEDS ANALYSIS: Criteria to be developed by each State

Ref	Criteria	Needs					
	Criteria to be developed by each State						
1.	Project Eligibility						
2.	Project Management						
3b.	Project Eligibility: Eligible						
	Project Term	Conceptualization of REDD projects based					
8a.	Permanence: Land and						
	Resource Tenure	on each state's contexts such as					
9.	Project Co-Benefits	stakeholders and policies					
10.	Stakeholder/ Public						
	Participation						
11.	Monitoring						
12.	Verification						

NEEDS ANALYSIS: Actions that benefit all REDD projects

wers	Subsidies that will fit all States' REDD Projects					
Ref	Criteria	Standards	Needs			
3 a.	Eligible Entity	Demonstrated legal ownership or long-term management rights or resource use rights over project area	Carbon rights and carbon property legal study in order to drive a common approach and negotiations with federal government for states' REDD projects			
5a.	Additionality: GHG Baseline Determination	 Estimates of carbon sinks and deforestation and/or degradation rates Reconciled across projects within sub-regions and across sub regions in terms of linking to regional and national targets Include estimates of how forest stock changesafter project initiation Guidance for use of modeling and forecasting based in transparent protocols and methodologies, endorsed by local/regional experts. 	Development of methodologies for baseline establishment within different Amazon States' contexts and implications with national baseline methodologies.			
8b.	Risk of Non Permanence – Fire, Pests, Changes in Forest Management	- Assessment methodology for different kind of non-permanence	 Current researches are evaluating impacts of extreme events such as 2005 drought, findings shall be incorporated in the design of insurance mechanisms Exchange between Civil Defenses from California State and Amazon States to deal 			

NEEDS ANALYSIS: Actions that will help each project to comply with GCF C&S

	Subsidies that will help the development of criteria at each State level					
Ref	Criteria	Standards	Needs			
5b.	Additionality: Legal and Regulatory Considerations for Baseline	 Relationship with applicable laws and regulations Demonstration of lack of enforcement to trend of baseline 	Development of methodological guidelines to be			
5c.	Additionality: Economic Considerations for Baseline	Financial, budgetary and economic factors analysis that influence planned deforestation and/or degradation activities in the baseline scenario as compared to other land uses in the region	applicable at states' level in order to guarantee compliance			
6a.	Activity Shifting Leakage	All activity shifting leakage appropriately accounted for, and subtracted from the number of emissions reduction credits issued	with standards			
6b.	Market Leakage	Definition: Market based supply shifts to substitute products that may have negative climate effects				
7a.	Measurement: Standardized Definitions	Use of established standard definitions and methodologies recommended for the measurements and equations of carbon stocks and flows				
7c.	Measurement: Quantification of other GHG Emission Sources	All significant GHG emissions sources associated with project accounted for and/or estimated				
7d.	Measurement: Statistical Confidence	Definition: Statistical methods used to indicate the reliability of an estimate				
7e.	Measurement: Biodiversity	Definition: Assessment of project impacts on biodiversity				
8c.	Permanence: Use of Buffers					

Needs Summary

General Actions to support REDD Projects' elaboration:

- 1. REDD Projects' Database collection of all knowledge and experiences (information, methodologies) developed or in development by MoU States' and Provinces' to be accessed by members and interested organizations.
- 2. Carbon rights and carbon property legal study in order to drive a common approach and negotiations with federal government for states' REDD projects
- 3. Development of methodologies for baseline establishment within different States' and Provinces' contexts and implications with national baseline methodologies.
- 4. Current researches are evaluating impacts of extreme events such as 2005 drought, findings shall be incorporated in the design of insurance mechanisms
- 5. Exchange between Civil Defenses from US States and States and Provinces to deal with permanence including threats from forest fires and others such as over harvesting, illegal logging,...

Needs Summary

Guidelines development to orientate REDD Projects' development to comply with GCF C&S

- Development of methodological guidelines to be applicable at states' and provinces' level in order to guarantee compliance with standards on:
 - Additionality
 - Leakage
 - Measurement
 - Permanence
 - Accountability (Sub-national and National Registry Systems)

Issues for discussion

- Methodological Approach?
- Processes to deepen the assessment to effectively address the C&S protocol
- Who leads? processess and fundraising